

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
FRIDAY, FEBRUARY 14, 2003, 2:00 P.M.
Room 403, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair
Rep. Loraine T. Pace, Committee Co-Chair
Sen. Greg Bell
Sen. Mike Dmitrich
Rep. Roger Barrus
Rep. Ralph Becker
Rep. DeMar "Bud" Bowman
Rep. D. Gregg Buxton
Rep. David Clark
Rep. Wayne Harper
Rep. Brent H. Goodfellow

Members Absent: Rep. Stephen Clark

Staff Present: Kevin Walthers, Fiscal Analyst
Bonnie Brinton, Committee Secretary

List of those also present: Joe Jenkins, Director, DFCM
Gordon Bissegger, Management Services Director, State Courts

List of others present on file.

Co-Chair Pace called the meeting to order at 12:30 p.m.

Co-Chair Pace explained that the Committee will discuss intent language and revenue bonds to approve, and prioritization of the project list.

MOTION: Co-Chair Evans moved to take action on the cash part of the budget to identify two items for payment and approve the following intent language:

a. \$1,870,000 for the Department of Corrections bond payments in FY 2003 and 2004. The Committee may have to provide an additional \$935,000 next year for the final payment, but that is essentially what the plan was to begin with. If this is approved, the Division of Finance will need the following intent language to make it work:

It is the intent of the Legislature that DFCM is not required to collect rent from the Department of Corrections for the Promontory Facility in FY 2003 if the Legislature in the 2003 general session appropriates

funds to debt service for FY 2004 to replace the uncollected rent.

It is further the intent of the Legislature that the Division of Finance use available cash balances in the debt service fund to make the debt service payment in FY 2003 if the Legislature in the 2003 General Session has appropriated funds for FY 2004 to debt service to replace the rent not collected from the Department of Corrections in FY 2003.

b. \$5,697,600 from the Capital budget to Debt Service to cover the increased costs associated with bonds authorized in 2002.

If approved, this will leave approximately \$50,000 in cash that could be added to the capital improvement program and will focus discussion on prioritizing a bond list. It would also take care of two “hot spot issues” that EAC will be dealing with next week.

The motion passed unanimously, with Reps. Becker, D. Clark, and Goodfellow absent for the vote.

MOTION: Co-Chair Evans moved to approve a technical correction to be made in the debt service account. The correction would move \$1,960,700 in Centennial Highway Fund from FY 2004 to FY 2003.

The motion passed unanimously, with Reps. Becker, D. Clark, and Goodfellow absent for the vote.

Joe Jenkins, Director, DFCM, identified three non-state funded projects and recommended the Committee authorize funding for them. He stated that this is subject to CIB financing and has been approved by the Building Board and the Board of Regents.

USU Lab Animal Research Center - \$600,000
USU Biology/Natural Resources Building - \$1,900,000
Snow College Activity Center - \$1,500,000

MOTION: Rep. Buxton moved to authorize funding for USU Lab Animal Research Center for \$600,000; USU Biology/Natural Resources Building for \$1,900,000; and Snow College Activity Center for \$1,500,000.

The motion passed unanimously, with Reps. Becker and D. Clark absent for the vote.

Mr. Jenkins discussed his recommendation for Revenue Bond projects.

MOTION: Co-Chair Evans moved to approve the following Revenue Bond Priority List projects and the total cost of each:

Drivers License - West Valley	\$1,242,000
DFCM Logan Regional Center	\$8,309,000
DFCM Ogden Regional Center	\$10,084,000
DFCM St. George Regional Center	\$9,789,000
Courts - West Jordan	\$18,599,000
Courts - Tooele	\$6,672,000

Gordon Bissegger, Management Services Director, State Courts, stated that the State Courts system does not have a sufficient revenue stream to fund both projects. Kevin Walthers, Fiscal Analyst, noted that, if approved, the Legislature would need to take action on funding in 2004 or 2005.

Co-Chair Evans stated that the purpose of this motion was to give DFCM a prioritization list.

SUBSTITUTE MOTION: Rep. Harper moved to place the West Jordan Courts project ahead of the proposed DFCM Regional Centers on the priority list.

The substitute motion failed, with Sens. Evans and Bell voting against the substitute motion.

Mr. Jenkins explained that the Regional Centers are time sensitive, and that his preference would be to place the regional centers ahead of the courts on the priority list.

The motion passed, with Rep. Harper voting against the motion; and Rep. Becker absent for the vote.

Mr. Jenkins briefly summarized each project on the proposed project list and compared this list with the Building Board's list and the Board of Regent's list.

Mr. Walthers distributed a handout and explained its contents. The handout included a graph showing USHE State Funded Facilities from 1987 to 2002 and the numbers that drive the graph. Also included were graphs showing USHE State funding growth and funding by year in since 1987.

Co-Chair Pace explained the problem with adding the CEU mortgage payments to the bond amount requested.

MOTION: Co-Chair Evans moved to have the Committee Co-Chairs write a letter to the Executive Appropriations Committee stating that funding for the CEU Mortgage Payment in the amount of \$2,515,000 be designated as a “hot spot,” since it cannot be included in the General Obligation Bond.

The motion passed unanimously, with Rep. Becker absent for the vote.

Co-Chair Pace explained that the Co-Chairs have tried to provide the Committee members with as much information as possible so that they can make educated recommendations regarding funding to the Executive Committee.

A project priority list approved in the last meeting was projected on a screen.

MOTION: Rep. Buxton moved to accept the project priority list with amendments.

SUBSTITUTE MOTION: Rep. Goodfellow moved to approve the project priority list as approved in the last meeting.

Rep. Barrus pointed out that this project list would exceed the \$64m limit approved in the last meeting.

Mr. Jenkins suggested possible reduction to some projects to comply with the \$64m limit. He stated that he was not in favor of phase funding; but under the present circumstances of budget cuts, he felt these reductions would be appropriate.

Rep. Goodfellow amended his motion to accommodate these reductions.

Rep. Buxton asked what the bond for Capitol Preservation funding would be next year. Co-Chair Evans explained that the funding for CPB has to be dealt with differently from the project list the Committee is now considering.

Rep. Goodfellow summarized his motion accepting changes and adjustments to reflect the following Project list with approved amounts:

Capital Improvements	\$42,714,700
Debt Service	\$5,697,600
Dept. of Corrections Bond Payments	\$1,870,000
Archives Building	\$1,500,000
Utah State University Library	\$16,000,000
Dixie Health Sciences	\$1,000,000

WSU Swenson Remodel	\$5,499,000
SUU Teacher Education	\$9,000,000
University of Utah Library	\$6,000,000
UCAT Vernal	\$9,500,000
UVSC Vineyard Ele. Purchase	\$3,100,000
SLCC Health Sciences (West Jordan)	\$1,500,000
Capitol Restoration Continuation	\$10,000,000
Total Projects	\$113,381,300
Tax Funds Available	\$50,282,300
Bond Needed	\$63,099,000

The motion passed unanimously.

Rep. Becker stated his concern regarding two-year project funding and obligating future Legislatures to continue to fund projects.

Sen. Bell expressed appreciation to the Committee for their attitude of flexibility, providing the best service for the entire State, and avoiding personal interest votes.

Co-Chair Pace stated that she felt the Building Board would approve of the actions of the Committee.

Sen. Dmitrich commended the Committee on their concern and support of CEU.

MOTION: Rep. Buxton moved to accept the following intent language regarding construction of the Moran II Building:

It is the intent of the Legislature that the State Building Board delegate authority to the University of Utah for the design and construction of the John A. Moran Eye Center II Project.

Mr. Jenkins stated that he was adamantly opposed to this motion. There was some discussion about a private donation to this project.

Co-Chair Pace suggested bringing the involved parties together at a later time to resolve problems. She stated that the Committee didn't have enough information on this project to make an educated vote.

Rep. Becker stated that he appreciated the DFCM and the Building Board and felt that

they are very efficient and capable. He encouraged a vote to pass this motion and stated that he felt the Committee had enough information on the project.

SUBSTITUTE MOTION: Co-Chair Evans moved to refer this matter back to the Building Board.

The substitute motion passed, with Reps. Becker and Harper voting in opposition.

MOTION: Rep. D. Clark moved to adjourn the meeting.

The motion passed unanimously.

The meeting was adjourned at 1:40 p.m. by Co-Chair Pace.

The minutes were reported by Bonnie Brinton

Sen. Beverly Evans
Committee Co-Chair

Rep. Loraine T. Pace
Committee Co-Chair